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CHINA ENVIRONMENTAL TECHNOLOGY

HOLDINGS LIMITED

中國環保科技控股有限公司

Incorporated in the Cayman Islands with limited liability)
(Stock Code: 646)

QUARTERLY UPDATES IN RELATION TO RESOLVING DISCLAIMER OF OPINION

This announcement is made by China Environmental Technology Holding Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules).

Reference are made to the annual report of the Company for the year ended 31 December 2025 published on 29 April 2026 (the "**Annual Report**") and the announcement of the Company dated 29 July 2026 (the "**1st Quarterly Update Announcement**") in relation to the quarterly updates in relation to resolving disclaimer of opinion. Unless otherwise stated, capitalized terms used herein shall have the same meanings as used in the Annual Report and the **1st Quarterly Update** Announcement.

As disclosed in the Annual Report, the Company's auditor expressed disclaimer of opinion on the audited consolidated financial statements of the Company for the year ended 31 December 2025 due to the scope limitation relating to the assessment on the appropriateness of the going concern basis of preparing the consolidated financial statements (the "**Going Concern Issue**"). The Company has been undertaking plans and measures to improve the Group's liquidity and financial position. The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of the Company would

like to provide the shareholders and potential investors of the Company with the following updates on the progress of addressing the Going Concern Issue as of the date of this announcement as follows:

(1) As of the date of this announcement, all material business operations of the Group continues as usual and daily operations remain unaffected despite the auditor's disclaimer of opinion arising from the Going Concern Issue. The Group has maintained its operations and acquired new projects and clients for both of its wastewater treatment business and energy management business. However, due to financial constraints, since the date of the 1st Quarterly Update Announcement, the Group's wastewater treatment segment has only secured two projects which are expected to be completed within the year ending 31 December 2026 ("Current Year") with aggregate contract amount of approximately RMB5 million. As a result, the Board wishes to inform the shareholders of the Company and potential investors of the Company that, the total revenue for the Current Year is more likely than not to be less than approximately HK$31 million for the year ended 31 December 2025 ("Preceeding Year") and the loss for Current Year is expected to be higher than approximately HK$54 million loss for the Preceeding Year.

Despite the drop in revenue for Current Year, with the recent signing of long-term cooperation agreements with certain customers in which the other parties agreed to purchase from the Group not less than RMB56 million in aggregate in 2027 and the possibility of capital reorganization and rights issue of the Company described below, the Board is optimistic that the Group shall be back on track in 2027.

The Company will continue to closely monitor its business operations and will make further announcement(s) as and when appropriate.

(2) The Board has proposed to implement a capital reorgnisation and a right issue to raise up to approximately HK$190 million. For details and the latest progress of the capital reorgnisation and the right issue please refer to the Company's announcements dated 1 September, 11 September, 30 September and 20 October 2026. The executive Directors anticipate the capital reorgnisation and right issue shall be completed within six months from now. The Company will make further announcement(s) as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of the material development in this matter.

(3) In respect of the entrusted loans, the Group has not received any formal demands from the holder of the entrusted loans for the repayment of the principal and interest of the entrusted loan in accordance with the judgement issued by the Court. Nevertheless, the executive Directors have been continuously seeking an agreement on deferral of payments or debt restructuring with the holder of the entrusted loans. The Board has proposed to reserve approximately HK$20 million from the net proceeds of the aforesaid right issue as an initial repayment to facilitate the negotiation with the creditor.

(4) The Group has been actively negotiating with banks and other lending institutions on loan renewal or alternative refinancing and new financing facilities. As of the date of the announcement, all of the bank loans that have matured so far this year have been successfully renewed.

(5) The Company and the bondholder of the Convertible Bonds due 2021 has entered in to a Deed of Settlement on 4 September 2026. For details of the Deed of Settlement, please refer to the Company's announcement dated 4 September 2026. The Company shall make further announcement(s) as and when appropriate in accordance with the Listing Rules to keep its shareholders and potential investors informed of the material development in this matter.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Environmental Technology Holdings Limited
Xu Jingping
Chairman

Hong Kong, 29 October 2026

As at the date of this announcement, the executive Directors are Mr. Xu Jingping, Mr. Xu Zhongping, Mr. Shu Zhongwen and Mr. Yang Baodong; the non-executive Director are Ms. Hu Yueyue, Mr. Ma Tianfu and Mr. Wang Youming; and the independent non-executive Directors are Mr. Tse Chi Wai, Professor Geng Lin, Professor Zhu Nanwen and Professor Li Jun.